SCRS and **PORS**

Your Disability Retirement Benefits



Retir**e**ment Sys**te**ms

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Table of Contents

Who May Apply	1
How to Apply	2
Processing the Claim	3
Defining "Annuity"	3
Disability Retirement Effective Date	4
Annuity Payments	4
Post-Retirement Information	5
Cost-of-Living Adjustments	5
Returning to Employment While Receiving a	
Disability Retirement Annuity	6
Beneficiary and Option Changes	8
Retiree Group Life Insurance	8
Option A	8
Option B and Option C	8
Change in Marital Status	8
Number of Changes	9
Keep Your Retirement Account	
Information Current	9

Employers covered by the South Carolina Retirement Systems are not agents of the Retirement Systems.

The information in this handbook is meant to serve as a guide, but does not constitute a binding representation of the South Carolina Retirement Systems. The statutes governing the South Carolina Retirement Systems are found in Title 9 of the South Carolina Code of Laws, and should there be any conflict between this handbook and the statutes or the Retirement Systems' policies, the statutes and policies will prevail. Because state statutes are subject to change by the General Assembly, please contact us for the most current information.

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The information in this brochure provides an overview of the disability retirement program for members of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and will help you determine if you are eligible to and should apply for disability retirement.

Who May Apply
You may apply for disability retirement if you become permanently disabled before you leave covered employment and you also meet the other requirements outlined in

this brochure. If you do not apply prior to leaving covered employment, you will not be eligible to participate in the disability retirement program.

For retirement purposes, you are considered permanently disabled if you become physically or mentally incapable of performing

the regular duties of your job and your disability is likely to be permanent. Becoming disabled does not automatically qualify you for disability retirement; you must file an application and go through the review process.

If you are a member of SCRS, you must be under age 65; PORS members must be under age 55. You must have five or more years of earned service credit toward retirement. The five-year service requirement is waived if you can substantiate that your disability is the result of an on-the-job injury.

SCRS, PORS, and GARS (General Assembly Retirement System) are correlated systems, meaning these systems have a complementary relationship. Your service credit will be added together to determine your eligibility to apply for disability benefits.

> You may arrange with your employer to make vour Retirement Systems' contributions through your employer if your dis-

ability requires you to be placed in an employer-approved leave status such as Workers' Compensation, sick leave, or family medical leave. Doing so will ensure that you will continue to earn Retirement Systems' service credit during your leave period.

If your disability claim is denied, the continuance of paying contributions and earning Retirement Systems' service credit may be important to your long-term retirement plans.

How to ApplyIf you meet the disability filing criteria, go to our Web site or contact Customer Services for a disability retirement packet. When you file your disability retirement claim, please include as much evidence as possible to support your claim.

You should file your application for disability retirement as soon as you become disabled and before you are removed from your employer's payroll. If you do not receive notification of our receipt of your application within 10 days after you submit it, please contact us. If you are eligible for service retirement when you become disabled, you may apply for service retirement while awaiting determination of your disability claim; however, you will receive only one type of payment (service or disability) if your disability claim is approved.

Processing the Claim

Your medical records will be obtained from your health care providers and evaluated to determine the severity and limiting

effects of your physical or mental impairment. The final determination is made by the Retirement Systems. Please allow a minimum of three months after all required documentation has been received from you, your employer, and your health care providers for your disability application to be processed. If you have not received our decision within three months, please con-

tact Customer Services toll free at (800) 868-9002, at (803) 737-6800, or at cs@retirement.sc.gov.

Defining "Annuity"An annuity is a series of periodic payments for a fixed future period or for life; payable monthly.

Disability Retirement Effective Date

If your disability retirement claim is approved, the effective date for annuity benefits will be the 30th day after your application is received by the Retirement Systems or

> the day after your last day on your emplover's

payroll, whichever is later. Disability an-

nuity benefits will continue throughout your lifetime, or until your beneficiary's death if you select a payment plan that provides continuing monthly survivor benefits, unless:

- you regain a certain earning capacity; or
- medical evidence indicates that you are no longer disabled; or
- the Retirement Systems has scheduled a continuing disability review and does not approve continuing disability retirement payments.

Periodic medical reexaminations may be required up to age 65 (SCRS) or age 55 (PORS). If the Retirement Systems determines that your disability benefits should cease because of an improvement in your medical condition, your retirement benefits will stop the month of your scheduled review or the month of the Retirement Systems' decision, whichever is later.

Annuity Payments
All retirees are encouraged to participate in direct deposit. Retirement checks are deposited directly into your bank account the last business day of each month. Since check stubs will be mailed to you each January and July, and any time that your net deposit amount changes, it is very important to notify the Retirement Systems in writing of any change in your home mailing address. If you do not have a bank account into which funds can be deposited, you may request an exemption by writing our office.

Because the Retirement Systems does not determine your disability based on the criteria for a disability that is total and permanent, your disability benefits are considered to be a normal distribution from your retirement account. For tax information, contact the Internal Revenue Service, the SC Department of Revenue if you live in South Carolina, and/or your personal tax advisor.

Post-Retirement Information Cost-of-Living Adjustments SCRS

Each July 1, eligible retired SCRS members will receive an annual guaranteed cost-of-living adjustment (COLA) of up to 1 percent if the Consumer Price Index (CPI) as of the prior December 31 is at least 1 percent. The

State Budget and

Control Board is allowed to grant a COLA in excess of 1 percent up to a total COLA of 4 percent (including the



guaranteed 1 percent) if the CPI increase exceeded 1 percent and if the unfunded liability amortization period for SCRS does not exceed 30 years. Your retirement must have been in effect the previous July to be eligible for an approved COLA.

PORS

PORS COLAs are not guaranteed. The Retirement Systems' actuary must first determine whether funding require-

ments have been met, and if so, then the State Budget and Control Board must approve the COLA.

If approved, a COLA is effective July 1. Your retirement must have been in effect the previous July to be

eligible for an approved COLA. An approved PORS COLA is calculated as follows:

- Your annuity will increase by no more than 4 percent if the Consumer Price Index (CPI) increased by 4 percent or more during the prior calendar year.
- If the CPI increase for the prior calendar year is less than 4 percent, your annuity will increase by the actual percentage increase in the CPI.

Returning to Employment While Receiving a Disability Retirement Annuity

Disability retirees under age 65 (SCRS) or under age 55 (PORS) should report earnings from any gainful employment to the Retirement Systems annually because there is an earnings limitation for all public and private employment which is applied on a calendar-year basis. You may earn the difference between your adjusted average final compensation (AFC) at retirement and your disability retirement annuity without affecting your retirement benefits. Your AFC is the total of your highest 12 consecutive quarters of earnable compensation (Jan.-Mar., Apr.-Jun., Jul.-Sep., Oct.-Dec.) divided by three.

Example

AFC at retirement (adjusted for inflation)	\$35,000
Annual disability retirement annuity	- \$14,950
Disability retiree can earn difference	\$20,050
(for the calendar year)	

Your AFC may be adjusted each year for inflation for earnings limitation purposes only. This increase generally matches the percentage increase of the CPI, but can be up to a maximum of 10 percent. These adjustments affect the amount you can earn while receiving a disability retirement annuity; however, they do not affect the amount of your benefit.

If you earn more than your adjusted AFC, your monthly annuity will be reduced or possibly canceled. If you return to work with an employer covered by the Retirement Systems and your salary is equal to or greater than your adjusted AFC, your disability retirement annuity ceases and you must become an active member of the system.

At age 65 (SCRS) or age 55 (PORS), there is no earnings limitation for public or private employment.

Effective July 1, 2005, retired SCRS and PORS members who work for a covered employer will make tax-deferred employee contributions for the duration of their covered employment. Working retired contributing members are eligible for an increased group life insurance benefit equal to one year's an-

nual salary in lieu of the \$2,000, \$4,000, or \$6,000 normally available to other retired members.

Beneficiary and Option Changes Retiree Group Life Insurance

You may change your Retiree Group Life Insurance beneficiary at any time regardless of

the payment plan you selected.

Option A

You may change your beneficiary at any time. If you have a change in marital status, you may also select a new option within one year of the change in marital status.

Option B and Option C If all of your beneficiaries prede-

cease you, your annuity will revert to Option A effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary. You may then select a new

beneficiary under Option A. If you have a change in marital status, you may select a new option within one year of the change in marital status.

Change in Marital Status

If your spouse dies after you retire, if you marry, or if you divorce, you may revoke your current payment plan and select a new option within one year of the change in marital status. Estimates of adjusted benefits under a new option are available from the Retirement Systems upon request.

Number of Changes

Your form of monthly payment may not be changed more than twice, regardless of the number of events (death of a designated beneficiary or change in marital status) that occur. A reversion to Option A upon the death of your beneficiary will count as one of the two changes. If a second beneficiary predeceases you after you have again selected Option B or Option C, you will revert automatically to Option A; however, no further form of payment changes will be allowed. Changes in form of payment occurring before January 1, 2001, are not included in the limitation provision.

Keep Your Retirement Account Information Current

As a retired member, it is very important, and easy, to keep your address and beneficiaries current with the Retirement Systems.

Simply contact us to update this information. Check stubs are mailed to your home address at least twice each year (in January and July) and more often if the amount of your check changes. Our retired member Systems Update newsletter and Popular Annual Financial Report are also mailed to your home address each year. Don't miss this important benefits information because of an outdated address!

Have questions? Contact Customer Services at (800) 868-9002, (803) 737-6800, or cs@retirement.sc.gov.

You must apply separately for other disability programs such as the state's Long Term Disability plan or Social Security.

Mailing Address

South Carolina Retirement Systems P.O. Box 11960 Columbia, SC 29211-1960

Location

Fontaine Business Center 202 Arbor Lake Drive Columbia, South Carolina 29223

Office Hours

8:15 AM - 4:45 PM

Customer Services

(800) 868-9002 (803) 737-6800 cs@retirement.sc.gov

Internet Web Site

www.retirement.sc.gov

State Budget and Control Board

Mark Sanford, Chairman Governor

Grady L. Patterson, Jr.
State Treasurer

Richard Eckstrom

Comptroller General

Hugh K. Leatherman, Sr.Chairman, Senate Finance Committee

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South Carolina Retirement Systems Peggy G. Boykin, CPA

Director